

STATE OF NEW MEXICO  
TAXATION AND REVENUE DEPARTMENT

**APPLICATION FOR HIGH-WAGE JOBS TAX CREDIT**

**Who Must File:** An eligible employer may file this form to apply for a high-wage jobs tax credit for each new high-wage economic-based job created between July 1, 2004, and June 30, 2015, that is occupied during a qualified period beginning with the year the new job is created and for three following qualifying periods. The amount of the credit is 10% of wages and benefits paid or distributed to an eligible employee in a high-wage economic-based job for a maximum credit of \$12,000 per qualified period. (See the instructions for important definitions.) For assistance call (505) 476-3683.

Name of eligible employer		New Mexico CRS identification no.
Street address		City, state and ZIP code
Mailing address		City, state and ZIP code
Name of contact	Phone number	E-mail address

**Company eligibility for Job Training Incentive Program (JTIP) assistance.**

Yes ☐ No ☐

Is your company eligible for Job Training Incentive Program assistance (JTIP)? (See page 2 of the instructions for this form.) Enter whether your company is a qualifying manufacturer or non-retail service provider. \_\_\_\_\_

**Determination of a qualified employer.** Answer the questions below. You must be able to answer yes to at least one of the questions below, or you are not a qualified employer and cannot claim a high-wage jobs tax credit even if you were qualified in a previous period.

Yes ☐ No ☐

Have you made more than 50% of sales to persons outside New Mexico during the most recent 12 months?

☐ ☐

Were you eligible for JTIP assistance on or before the date the jobs included in this application were created?

**Total high-wage jobs tax credit.**

1. Enter the number of certificates\* attached: \_\_\_\_\_  
A certificate\* for each eligible employee occupying a qualifying high-wage job in a qualified period must accompany this claim.

2. Enter the total high-wage jobs tax credit claimed: \_\_\_\_\_  
Enter the total from line 11 from each certificate\* attached.

\* Attach Form RPD-41289, *Certificate of Eligibility for the High-Wage Jobs Tax Credit*, for each eligible employee.

I declare I have examined this application, including attachments, and to the best of my knowledge and belief it is true, correct and complete.

\_\_\_\_\_  
Taxpayer Authorized Signature

\_\_\_\_\_  
Date

**FOR DEPARTMENT USE ONLY**

Authorized by the New Mexico Taxation and Revenue Department.

Approved by: \_\_\_\_\_ Title: \_\_\_\_\_

Telephone number: \_\_\_\_\_ Date: \_\_\_\_\_

High-wage jobs tax credit amount approved: \_\_\_\_\_ Claim number: \_\_\_\_\_

## APPLICATION FOR HIGH-WAGE JOBS TAX CREDIT INSTRUCTIONS

### HOW TO APPLY:

Complete Form RPD-41288, *Application for High-Wage Jobs Tax Credit*, and submit it to the Taxation and Revenue Department. For each qualified job within a qualifying period attach a completed Form RPD-41289, *Certificate of Eligibility for the High-Wage Jobs Tax Credit*. If more than one eligible employee was employed in a qualifying job during a qualifying period, a certificate of eligibility for each employee for whom you wish to claim a credit must be attached and included on the same application. On the application summarize the certificates attached and answer questions establishing that you retain the status of an eligible employer. You may claim credit for more than one high-wage job on one application. The Taxation and Revenue Department may approve the credit and issue to the applicant a document granting the tax credit.

### FORM INSTRUCTIONS:

Complete all information requested in the address block.

Answer the question regarding the company's eligibility for the Job Training Incentive Program assistance (JTIP). (See page 2 of the instructions for this form.) Indicate whether the company is a qualifying manufacturer or non-retail service provider in the space provided.

Answer both questions regarding your status as a qualified employer. You must answer yes to at least one of the questions or you no longer qualify and no credit will be granted.

1. Enter the number of certificates (Form RPD-41289, *Certificate of Eligibility for the High-Wage Jobs Tax Credit*) attached and included in this claim.
2. Enter the sum of the wages and benefits (Line 11) from each certificate attached as certified by the applicant (a maximum of \$12,000 of wages and benefits paid for each high-wage job in each qualified period).

Sign and date the application. **Mail to: Taxation and Revenue Department, Audit Technical Support Services, P.O. Box 8485, Santa Fe, NM 87198-8485.**

### USING THE HIGH-WAGE JOBS TAX CREDIT:

Once approved, the high-wage jobs tax credit may be applied against the modified combined tax liability of a taxpayer. See the definition on this page.

To claim approved credits against tax liabilities, submit Form RPD-41290, *High-Wage Jobs Tax Credit Claim Form*, with the tax or surcharge return to which you wish to apply the credit. You may apply the credit against tax owed on Form CRS-1, less local option gross receipts taxes, Form RPD-41114, *Enhanced 911 Services Surcharge*, or Form RPD-41116, *Telecommunications Relay Service Surcharge*. When applying the credit to Form CRS-1, you must pay any gross receipts tax due over the state rate of 5.125%. Any excess credit will be refunded.

### DEFINITIONS:

**An eligible employer** is an employer:

- whose sales to persons outside New Mexico during the 12 -month report period ending prior to claiming a high-wage jobs tax credit was more than 50%, or
- who is eligible for the Job Training Incentive Program (JTIP) assistance by the Economic Development Department, pursuant to Section 21-19-7 NMSA 1978. To determine whether a company is eligible for JTIP, see page 2 of these instructions. To learn more about Job Training Incentive Program (JTIP) assistance contact: New Mexico Economic Development Department, Joseph M. Montoya Building, 1100 So. St. Francis Drive, Santa Fe, NM 87505-4147 or call: (505) 827-0323 or (800) 374-3061. The Internet address is: <http://www.edd.state.nm.us>.

The employer must retain proof in its records that out-of-state sales were more than 50% of total sales during the 12-month report period ending prior to claiming the high-wage jobs tax credit.

**"High-wage economic-based job"** means a job created by an eligible employer on or after July 1, 2004 and prior to July 1, 2015 that is occupied by one or more eligible employee(s) for at least 48 weeks of a qualifying period. See the instructions for Form RPD-41289, *Certificate of Eligibility for the High-Wage Jobs Tax Credit*, for the definition of an eligible employee. *NOTE: The employer must be eligible for JTIP assistance by the Economic Development Department on or before the date the job is created.* The qualified job must be occupied for at least 48 weeks during a qualifying period, and an eligible employee must be paid at least \$40,000 if the job is performed or based in Albuquerque, Las Cruces, Rio Rancho, Roswell, or Santa Fe, and \$28,000 if the job is performed or based anywhere else in the state.

## APPLICATION FOR HIGH-WAGE JOBS TAX CREDIT INSTRUCTIONS

**"Qualifying period"** means the 12 months beginning on the day an eligible employee begins working in a new high-wage economic-based job, or 12 months beginning on the anniversary of the day an eligible employee begins working in a new high-wage economic-based job.

**"Wages"** means wages as defined in Paragraphs (1), (2) and (3) of 26 U.S.C. Section 51(c).

**"Benefits"** means any employee benefit plan as defined in Title 1, Section 3 of the federal Employee Retirement Income Security Act of 1974, 29 U.S.C. 1002.

**"Modified combined tax liability"** means the total liability for the reporting period for the gross receipts tax imposed by Section 7-9-4 NMSA 1978 together with any tax collected at the same time and in the same manner as the gross receipts tax, such as the compensating tax, the withholding tax, the interstate telecommunications gross receipts tax, the surcharges imposed by Section 63-9D-5 NMSA 1978 and the surcharge imposed by Section 63-9F-11 NMSA 1978, minus any credit other than the high-wage jobs tax credit applied against any or all of these taxes or surcharges; but "modified combined tax liability" excludes all amounts collected with respect to local option gross receipts taxes.

**Company eligibility for Job Training Incentive Program (JTIP) assistance.** If you are eligible for Job Training Incentive Program (JTIP) assistance, you qualify as an eligible employer for purposes of the high-wage jobs tax credit. Review the following eligibility requirements for the JTIP to determine whether the company qualifies for JTIP. If you meet the requirements set below, indicate that you qualify by marking the "yes" box on the first page of the high-wage jobs tax credit application form.

A business that has been approved for JTIP by the Economic Development Department is approved for JTIP for purposes of the high-wage jobs tax credit.

1. Two categories of companies are eligible to be considered for JTIP assistance.
  - a. The first category is companies which manufacture a product in New Mexico.
  - b. The second is companies which provide a non-retail service to customers, with a minimum of 60% of revenue coming from a customer base outside the State of New Mexico. Non-retail service businesses are only eligible when they export a product or service rather than import a customer and a minimum of 60% of revenue comes from a customer base outside New Mexico. Service companies which contract with government agencies outside the state may be considered, provided the majority of their revenue base is from the private sector.

Businesses which are not eligible include, but are not limited to, retail and wholesale trade, construction, mining, health care, casinos, and tourism-based businesses (hotels, restaurants, etc.). A company whose employees are compensated solely on piecework is also not eligible.

Companies producing Native American crafts or imitation Native American crafts are only eligible for JTIP when a majority of trainees or company employees are of Native American descent. A clear distinction of products carrying names and sources suggesting products are of Native American origin must be made. Total compliance with the Federal Trade Commission and the Indian Arts and Crafts Board of the Department of Interior rules and regulations must be made in determining authentic Native American products using labels, trademarks and other measures.

2. The company must be creating new jobs, whether due to expansion in New Mexico or relocation to the State of New Mexico. Start-up companies are also eligible.

An *expanding company* is defined as an existing business which requires additional employees or workforce due to a market or product expansion. In cities with a population greater than 40,000 according to the latest decennial census (Los Alamos), the minimum number of new jobs required for qualification as a new or expanding business is three. In rural locations, there is no minimum. Eligibility as an expanding company is determined by comparison of the average employment levels over the three prior years. A company must meet or exceed the average employment level for the past three years in order to be considered an expanding company and eligible for JTIP.

3. If a company hires twenty or more trainees in a municipality with a population of more than 40,000 according to the most recent decennial census or in a class A county (Los Alamos), the company must offer its employees and their dependents health insurance coverage that is in compliance with the New Mexico Insurance Code (Chapter 59 A). In addition, the company must contribute at least fifty percent of the premium for health insurance for those employees who choose to enroll. The fifty percent employer contribution is not a requirement for dependent coverage.

Companies may be asked to submit three years of financial statements, unemployment insurance reports and/or other documentation to the Department for verification. Start-up companies which do not have three years of financials may submit a business plan and evidence of signed contracts which would substantiate their business expansion.